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STATE PROCUREMENT OFFICE  
**NOTICE OF AND REQUEST FOR EXEMPTION**  
STATE PROCUREMENT OFFICE  
STATE OF HAWAII  
**FROM CHAPTER 103D, HRS**

1. TO: Chief Procurement Officer  
2. FROM: Linda Smith, Office of the Governor

Department/Division/Agency

Pursuant to §103D-102(b)(4), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:

3. Description of goods, services or construction:

Services to effectively expend Federal Stimulus Part B funds allocated for robotics education, with support allocated across diverse robotics education programs which cover elementary through high school students in Hawaii. Services must include, but not limited to, recruitment of new robotics teams and schools, assistance with access to equipment and necessary training for teachers and students, execution of major events and competitions to showcase student achievement.

Friends of Hawaii Robotics, a registered Hawaii 501(c)(3) non-profit organization, is the funding arm of the Robotics Organizing Committee (ROC). The ROC is an organization of community volunteers which work to develop and execute six (6) robotics education programs in operation in the state of Hawaii, including the FIRST Robotics Competition, Botball, VEX Robotics, Underwater Remote Operating Vehicles (ROV), FIRST LEGO League and Micro Robotics. The Friends of Hawaii Robotics and the ROC are the only existing entity in the state which for the past two years has worked daily and with the single mission to support all six of the major robotics education programs in the state of Hawaii. Prior to the formation of the ROC, each of the six programs was existing autonomously with little or no support from the community. Through the ROC and the Friends of Hawaii Robotics two years ago – the first organization of it's kind in the country – robotics education has grown exponentially.

4. Name of Vendor: Friends of Hawaii Robotics  
Address: P.O. Box 3019, Honolulu, HI 96802

5. Price:  
\$2,800,00.00

6. Term of Contract: From: June 7, 2010 To: Dec. 4, 2010

7. Prior Exemption Ref. No.

8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:

*See attached document (#8).*

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:

Friends of Hawaii Robotics and ROC have coordinated with each of the six robotics program areas to address the support necessary to grow the programs, with the goal of achieving 100% participation of Hawaii public schools in robotics education. By reaching out to the local partners as well as mainland program contributors and distributors, Friends of Hawaii Robotics and ROC have ensured that each pertinent entity has been included and informed.

**REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)**

10. A description of the agency's internal controls and approval requirements for the exempted procurement:

As is customary with every dollar of Federal Stimulus Part B funds, the Office of the Governor is responsible for signing off on each individual contract and/or expenditure. Working within the guidelines of a spending plan which was approved by the Office of the Governor, Friends of Hawaii Robotics and ROC will be required to ensure proper documentation and original receipts for all contracts and/or expenditures. These expenditures will be approved by the Office of the Governor prior the actual expense being incurred. These stringent internal controls are in place to ensure the Governor's goals and plans for expenditure of the discretionary funding are met for the Federal Stimulus Part B funds.

12. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:

Name	Position	Involvement in Process	
Linda Smith	Senior Policy Advisor	Approval	Administration
Rachel Zane	Executive Assistant	Approval	Administration
Christine Hironaka	Executive Assistant	Approval	Administration
		Approval	Administration
		Approval	Administration
		Approval	Administration

13. Direct inquiries to:

Department: Office of the Governor  
 Contact Name: Linda Smith  
 Phone Number: 808-586-5330  
 Fax Number: 808-586-0006

Agency shall ensure adherence to applicable administrative and statutory requirements

14. *I certify that the information provided above is, to the best of my knowledge, true and correct.*

Department Head

Date

Reserved for SPO Use Only

15. Date Notice Posted

5/28/2010

The Chief Procurement Officer is in the process of reviewing this request for exemption from Chapter 103D, HRS. Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven calendar days or as otherwise allowed from the above posted date to:

Chief Procurement Officer  
 State Procurement Office  
 P.O. Box 119  
 Honolulu, Hawaii 96810-0119

REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

Chief Procurement Officer's comments:

Approval is granted based on the office's representation that:

1. According to the federal mandate, the funds must be encumbered by 9/30/10 and expended by 12/4/10.
2. The Friends of Hawaii Robotics (Friends) and the Robotics Organizing Committee is the only organization in the State whose sole mission is to support all six of the major robotics programs.
3. Friends is the most cost effective option to oversee the expenses and allow for coordination between programs and ensure that overhead & program management costs are shared as this would be a continuation of past practices.
4. Friends is the only organization working directly with all six programs to oversee operations and expand the programs. As a single organization and intermediary with the national organizations, Friends has the ability to move quickly and efficiently to recruit teams, coordinate local activities, and expend the associated funds which are needed in June, July and August 2010, prior to the beginning of the 2010-2011 school year.

16.



APPROVED



DISAPPROVED



NO ACTION REQUIRED

 6/4/2010  
Chief Procurement Officer Date

## **#8 - Explanations describing how procurement by competitive means is neither practicable nor advantageous to the State.**

Selection of the Friends of Hawaii Robotics as the administering vendor for the Federal Stimulus Part B funds allocated for the growth of robotics education is advantageous to the state for three primary reasons: 1) The constrained time allowed to expend the funds; 2) The cost-effective nature of selecting one organization to oversee all expenses associated with the funds; and 3) Friends of Hawai'i Robotics sole mission and experience for the past two years has been to coordinate all six Hawai'i robotics programs and working to ensure programs are established in all Hawaii schools.

### **1. Explanation of constrained timeline to expend the funds:**

According to federally mandated timeline agreed to by the Office of the Governor, the \$2,800,000 must be encumbered by the contract award timeline, which cites an end date of September 30, 2010 (award number: S397A090012A). Additionally, the entirety of the \$2,800,000 must be expended by December 4, 2010. The authorization to spend the funds was authorized by Governor Lingle and the Dept. of Budget and Finance on Friday, May 21, 2010. From the authorization date in late May to the federally mandated encumbrance date of late September, only four months are available to encumber the full award amount and six months to expend nearly \$3 million.

Concurrently, the programmatic needs of the existing six robotics programs in the state dictate the need for the majority of the funds will need to be expended by early FY11 (June, July, August 2010). Each of the programs is implementing a concentrated recruiting schedule and event planning prior to the 2010-2011 school year, including venue contracts and logistics necessary for two major events in December 2010, including FIRST LEGO League State Championships and VEX Robotics Pan Pacific Championships. Thus, the funds must be spent beginning in June 2010. For other programs, including FIRST Robotics, necessary equipment and kits must be purchased before the start of the 2010-2011 school year to ensure successful participation by schools and students. Without the proper tools in place in a timely manner, teams will not be able to succeed in the competition seasons which occur, beginning January 6, 2011. Please see attached timeline of programmatic needs. With this constrained timeline, competitive procurement is neither practicable nor advantageous for the State.

The Friends of Hawaii Robotics and the Robotics Organizing Committee (ROC) are an established local organization which is already prepared to allocate and spend large grant funds to support robotics education. Their experience for the past two years in coordinating all six of the robotics programs and locally-based presence will allow for immediate action and implementation. The in-depth experience by the ROC and Friends of Hawaii Robotics and the model created for implementation of multi-program systems is unlike any other organization in the state or throughout the country. Prior to the formation of the ROC, robotics programs existed autonomously and without coordinated, statewide support from the community. ROC and Friends' two years of experience as the only programs-wide support system for robotics education, is unlike any other organization and has addressed the unique needs of the six

programs in overlapping timeframes and coordinated venues. See attached spending plan which details specific expenses which are ready to move forward immediately.

**2. Explanation of cost-effective nature of selecting one organization to oversee expenses associated with the funds:**

While each of the six robotics programs currently operates within a larger national organization who may or may not be able to oversee expenses associated with their respective programs, with only six short months to encumber and subsequently expend the funds, it will be impractical for the State to reach out to multiple organizations to conduct the various programs and the associated expenses. The time required to develop and execute individual contracts for each separate robotics program would be impractical for the state to achieve its goals.

Additionally, by selecting one organization to oversee expenses associated with the entirety of the \$2,800,000 will allow for the critical coordination between programs and will ensure that any overhead costs or program management costs are shared across the programs. If the state were to select multiple organizations, each oversight group would have individual overhead costs, thereby reducing the impact of the funding. The overlapping costs associated with selecting multiple groups would be inefficient and ineffective. Each of these organizations would incur separate costs for administration and oversight, which would be multiplied exponentially as compared to the selection of Friends of Hawaii Robotics as a single coordinating entity.

Selecting the Friends of Hawaii Robotics is the most cost-effective option for the State because of the inefficiencies and challenges of coordinating with multiple organizations to oversee the expenditure of these Federal Stimulus Part B funds. While several national organizations to exist in the six robotics programs, such organizations' focus is not on Hawaii specifically, thus not achieving the Governor's goal of 100% participation in robotics education in Hawaii schools by June 30, 2011.

See attached spending plan submitted by Friends of Hawaii Robotics which allocations less than 5% of the overall budget toward administration costs, operating primarily with a strong base of volunteers under the direction of the volunteer Board of Directors.

See explanation #3 for detailed report as to the unique qualities and abilities which make up the Friends of Hawaii Robotics and the Robotics Organizing Committee (ROC).

**3. Explanation of the mission and experience exhibited by Friends of Hawaii Robotics to coordinate and oversee the funds:**

Friends of Hawaii Robotics has been working in coordination with the volunteer program directors of the six robotics programs for the past two years (since July 2008) to oversee day-to-day operations of each program, team recruitment, program development and growth, as well as event production and execution.

In April 2009, Friends of Hawaii Robotics was granted federal tax exempt status as a registered 501(c)(3) organization. Since then, the organization has been working day-in and day-out to

raise private funds to support the efforts of Hawaii's robotics programs. The Board of Directors has been responsible for the management of private corporate grants and donations totaling nearly \$500,000 over the two year period. No personnel costs have been taken from the revenue.

Under the direction of the Friends of Hawaii Robotics and the Robotics Organizing Committee (ROC), robotics education in Hawaii has quadrupled its presence in Hawaii schools, aimed at achieving 100% participation by June 30, 2011, now ranking 2<sup>nd</sup> in the nation in terms of percentage of schools with robotics programs.

The ROC and Friends have been directly involved in the recruitment of new schools and teams in each of the six robotics programs for two years. Additionally, members of the ROC have played integral roles in the development and execution of the competitive events in each of the six programs, hosted statewide. These responsibilities have included, but not limited to, educational training workshops for educators, local qualifying tournaments, statewide competitions and regionally specific competitions with guest competitors from mainland U.S. and international destinations.

ROC and Friends is also accustomed to operating within a constrained timeline and extenuating circumstances. As an example, when one of the six program coordinators was no longer able to fulfill necessary responsibilities, just two short months prior to the regional competition, Friends Board members and ROC members stepped in to coordinate the event. Coordination included developing and ordering kit components for each team, recruiting teams for competition, volunteer recruitment, securing the competition venue and interfacing with the national organization, as well as the event production and execution.

Friends of Hawaii Robotics is the only organization which is currently working directly with each of the six programs to oversee operations as well as expand the programs. Finally, Friends of Hawaii Robotics has worked for two years to establish strong working relationships with each of the national parent organizations for the six robotics programs in operation in Hawaii. Regular communications as well as strategic planning from the national organizers with the Hawaii teams and events is coordinated through the Friends of Hawaii Robotics. Acting as the single intermediary with each of the six programs' national organizations gives the Friends of Hawaii Robotics the ability to mobilize more quickly and efficiently to coordinate the local activities and expend the associated funds.

## **Robotics Education Programmatic Needs Timeline**

### **June 2010**

- Training workshops for educators
- International Underwater ROV Competition hosted in Hawaii (UH-Hilo, June 24-26)

### **July 2010**

- Global Conference on Educational Robotics - Hawaii teams to compete (July 7-11)
- International Micro Robotics Conference hosted in Hawaii (Imiloa Center, July 16-19)

### **August 2010**

- FLL teams formed; kits delivered to schools
- VEX teams formed; kits delivered to schools
- FRC teams formed and registered; equipment acquired for each school

### **September 2010**

- VEX tournaments held statewide
- Botball teams formed; kits ordered for schools

### **October 2010**

- VEX tournaments held statewide
- Underwater ROV teams formed; kits ordered for schools

### **November 2010**

- FLL qualifying tournaments held statewide (10 separate locations)

### **December 2010**

- VEX Pan Pacific Championships held (Hawaii Convention Center, December 4-5)
- FLL State Championships held (Blaisdell Center, December 11)

### **January 2011**

- FRC season kicks off

### **February 2011**

- Botball training workshop for educators

### **March 2011**

- FRC Tournament - Hawaii Regional - held (Stan Sheriff Center, March 24-26)

### **April 2011**

### **May 2011**

- Botball Tournament - Hawaii Regional - held (Hawaii Convention Center, May 5)
- Underwater ROV Hawaii Regional competition held (Hilo, dates TBD)
- Underwater ROV Oahu Regional competition held (Honolulu, dates TBD)